interest as compared to normal deposits of any size. Many Banks had introduced such schemes, which have simplified procedures for automatic transfer of deposits of nominees of such depositors in the event of death. With the deregulation of interest rates since October 1997. the Reserve Bank no longer prescribes (higher) interest rates for any section of society.

Recent fall in the deposit rates could be seen against decline in the inflation rate. The average inflation rate, as measured by variations in the Wholesale Price Index (WPI), declined from 10.5 per cent during 1990-91 to 1995-96 to 4.8 per cent during the last six years (1996-97 to 2001-02). Consequently, the real interest rates on deposits are positive.

Inflow of foreign investment

23. SHRI K. NATWAR SINGH:
DR.T. SUBBARAMI REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether according to the US Treasury Secretary, India was lagging behind China in foreign direct investment inflows due to poor governance and lack of economic freedom;

(b) if so, whether India's strong English language skills and democratic system of Government should make it preferable to US investors over a country lacking both; and

(c) if so, what steps Government propose to take to see that economy of the country is further improved to foreign investment inflow from US and other countries is increased to give a push to our economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) While enjoying our systemic advantage, Government is making continuous efforts to make India an attractive destination for Foreign Direct Investment (FDI) by providing an internationally competitive investment climate in terms of policy, procedures and institutions. In order to catalyse FDI, the Government has also permitted access through the automatic route for FDI upto 100% in most activities.

(c) Government is -taking the following steps to attract Foreign Direct Investment (FDI):—

(i) Focussing investments, including FDI, in infrastructure sectors.

(ii) The new Special Economic Zone Scheme has been put in place which intends to provide an internationally competitive environment for exports supported by excellent infrastructure and to give a regime of facilitated and streamlined procedures to the foreign investors.

(iii) Further encourage growth in the information technology sector and business process outsourcing.

(iv) Establishment of the Foreign Investment Implementation Authority (FIIA) which facilitates quick translation of FDI approvals into implementation.

Appointment of Sixth Pay Commission

24. SHRI P. PRABHAKAR REDDY:
SHRI KARNENDU BHATTACHARJEE:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether as per the recommendation of the Fifth Pay Commission which was accepted by Government, the next Pay Commission was required to be put in place in 2003 and its benefits made available to the employees by 2006;

(b) if so, whether action has been initiated to appoint the Sixth Pay Commission; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir. The recommendation of the Fifth Pay Commission as per which the next Pay Commission was required to be put in place in 2003 and its benefits made available to the employees by 2006 has not been accepted by the Government so far.